

CHAPTER NO. 695

SENATE BILL NO. 2560

By Womack

Substituted for: House Bill No. 2619

By Davidson

AN ACT To amend Tennessee Code Annotated, Title 49, Chapter 7, Part 20, relative to post-secondary educational institutions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-2003(a)(5), is amended by deleting the words "academic and vocational" in the first sentence of that subdivision.

SECTION 2. Tennessee Code Annotated, Section 49-7-2003(a)(5), is further amended by deleting the period (.) at the end of the first sentence of that subdivision and replacing it with a semi-colon (;) and by deleting the remainder of the subdivision.

SECTION 3. Tennessee Code Annotated, Section 49-7-2003(a)(9), is amended by deleting the subdivision in its entirety and replacing it with the following:

(9) "Non-degree-granting post-secondary educational institution" includes all post-secondary educational institutions which do not meet the definition of a "degree-granting post-secondary educational institution".

SECTION 4. Tennessee Code Annotated, Section 49-7-2003(b), is amended by deleting the subsection in its entirety.

SECTION 5. Tennessee Code Annotated, Section 49-7-2004, is amended by deleting the words and punctuation ", except institutions accredited at the baccalaureate or higher level by the Association of Independent Colleges and Schools or the National Association of Trade and Technical Schools,".

SECTION 6. Tennessee Code Annotated, Section 49-7-2004(6), is amended by deleting the language of the subdivision in its entirety and replacing it with the following:

(6) Post-secondary educational institutions:

(A) with its primary campus domiciled in the State of Tennessee for at least ten (10) consecutive years;

(B) that have been accredited by an accrediting agency recognized by the U.S. Department of Education for at least ten (10) consecutive years;

(C) that have been chartered in Tennessee as a not-for-profit entity for at least ten (10) consecutive years; and

(D) that meet and maintain financial standards established by the commission or maintain financial standards as established by the

Commission on Colleges of the Southern Association of Colleges and Schools (SACS).

SECTION 7. Tennessee Code Annotated, Section 49-7-2004, is further amended by adding a new subdivision to read as follows:

(___) Any post-secondary educational institution exempt from the provisions of this part by virtue of the provisions of subdivision (6) of this section shall lose such exemption upon the occurrence of one of the following events, subject to appeal to the commission as provided at Section 49-7-2010:

(A) Loss or failure to meet any of the listed criteria for exemption;

(B) Loss of Title IV federal student aid funding; or

(C) Federal financial aid cohort default rate of twenty percent (20%) or higher for three (3) consecutive years or any single year over thirty-five percent (35%) as reported by the U. S. Department of Education, Office of Post-Secondary Educational Institutional Data System.

Notwithstanding anything in this section to the contrary, an institution that has lost its exemption due to the occurrence of one of the conditions listed in (A)-(C) above, will not be required to reestablish the ten (10) consecutive year standards in order to regain its exempt status. Instead, the commission shall have the authority to reinstate the exemption once the condition that caused the loss of exemption has, in the opinion of the commission, been remedied.

SECTION 8. Tennessee Code Annotated, Section 49-7-2006(b)(1), is amended by deleting the word "vocational".

SECTION 9. Tennessee Code Annotated, Section 49-7-2006(c), is amended by deleting the subsection in its entirety.

SECTION 10. Tennessee Code Annotated, Section 49-7-2013(a)(1), is amended by deleting the words "vocational education" wherever they appear and replace them with the words "post-secondary educational".

SECTION 11. Tennessee Code Annotated, Section 49-7-2018(a), is amended by deleting the word "vocational" wherever it appears in this subsection.

SECTION 12. Tennessee Code Annotated, Section 49-7-2018(c), is amended by deleting the word "vocational" and replacing it with the word "post-secondary".

SECTION 13. Tennessee Code Annotated, Section 49-7-2018(d)(1), is amended by deleting the word "vocational".

SECTION 14. Tennessee Code Annotated, Section 49-7-2018(e), is amended by deleting the words "vocational education" wherever they appear in the third sentence of that subsection and replacing them with the words "post-secondary educational".

SECTION 15. Tennessee Code Annotated, Section 49-7-2018(e), is further amended by deleting the word "vocational" in the fifth sentence of that subsection and replacing it with the words "post-secondary educational".

SECTION 16. This act shall take effect July 1, 1998, the public welfare requiring it.


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

PASSED: March 23, 1998

APPROVED this 1st day of April 1998


DON LINDQUIST, GOVERNOR